



19 December 2005

Russ K. Saito
Comptroller, CIO
State of Hawaii
Department of Accounting and General Services (DAGS)
Kalanimoku Building
1151 Punchbowl Street
Honolulu, HI 96813

Re: Gartner Report-Assessment of Central Data Center; Business Continuity and Disaster Recovery Strategies

Dear Mr. Saito:

Gartner is pleased to submit for your review and acceptance the following report: Assessment of Central Data Center-Business Continuity and Disaster Recovery Strategies. This report was developed pursuant to the requirements outlined in ACT 178, Section 78 Proviso. The attached report is detailed and addresses the specific criteria detailed in the ACT. The following represents a summary of our findings and observations:

Risk: The State of Hawaii is in a critical and precarious environment without access to an alternate data processing services when the central data center is out of service. Should the central data center become inoperable, the State will experience an extended disruption of its ability to continue and/or restore its daily business processes after a disaster or other disruptive event. State agencies are highly dependent on their computers and networks to provide services to the public and conduct their daily business, and are essentially ineffective without them. The State would not be able to perform financial transactions, nor would the State be able to ensure continuity of health and safety services without operational computers and networks.

Risk Mitigation-Immediate term: To address the lack of an alternate data center and to provide some back-up to the State's critical data and computer applications, DAGS has implemented a storage program that provides for on-site and off-site storage of its data assets and critical computer programs. Data is backed up daily providing the State with the ability to restore data and operations with minimal impact and loss of historical data.



Risk Mitigation-Medium to Long Term (Six months to Five years and beyond):

While the State has done well in implementing a data storage/data recovery program, the State will continue to have significant exposure due to the absence of an alternate data center. The State remains unable to restore its electronic processing capability in the event its primary data center becomes inoperable. Without the ability to restore its processing capability, and initiate recovery of its backup data and programs, State agencies are handicapped in their ability to deliver and restore critical services, to expend operating funds, and to contribute to the recovery of the State.

The State cannot afford to continue its business operations without a facility to restore its electronic processing capability. We believe this should be a high priority item for the State. Based on our analysis of the strategies available to the State, we believe that the State's most viable strategy is to immediately develop a plan to provide for a permanent alternate data center site equipped with sufficient processing capability, daily updated copies of critical data and computer programs, alternate plans and means of network connectivity, and business continuity plans to ensure the timely restoration of public services, especially those related to health and public safety.

While the permanent alternate data center site is being developed, the State would be well-advised to establish an interim alternate data center. We understand there are interim sites that are immediately available to the State to provide an alternate data center. The Bank of Hawaii Building at Kapolei, proposed by DAGS as the interim facility, is a prudent choice for the near term. DAGS has estimated the annual operating cost of the alternate data center to be \$2.3 million. This estimate, relative to the specifications of the proposed State alternate data center, is reasonable within the industry.

Over the longer term, we believe it is fiscally and operationally prudent to develop a permanent alternate data center that is State managed, and controlled. We believe the Maui High Technology Park in Kihei best meets the financial and operational criteria for a permanent alternate data center site. While the establishment of this facility may span multiple years, implementing an interim strategy with a long-term solution provides the State with near-term risk mitigation and safeguards the State's critical applications and IT infrastructure for many years to come.

In closing, the report reflects a collaborative initiative between Gartner and State resources, primarily staff from the Information and Communication Services Division (ICSD). We understand that this report will be submitted to the State Legislature as



required by ACT 178. We look forward to supporting DAGS in future Legislative hearings to discuss the attached report.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Tiratira", with a large, stylized loop at the end.

Ken Tiratira
Gartner, Senior Director

cc: Gary Drake, Gartner
Attachment